

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2008
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 41,263	\$ 57,946	\$ 108,812
Payments to employees	(15,678)	(3,243)	(12,430)
Payments to suppliers	(14,227)	(53,905)	(90,303)
Claims paid	-	-	-
Other receipts	-	174	-
Other payments	(8,114)	-	-
Net cash provided (used) by operating activities	<u>\$ 3,244</u>	<u>\$ 972</u>	<u>\$ 6,079</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans or loan repayments from other funds	\$ (140)	\$ -	\$ 4,132
Loans or loan repayments to other funds	(1,415)	-	(8,605)
Transfers from other funds	-	-	-
Transfers to other funds	-	(26)	(107)
Net cash provided (used) by noncapital financing activities	<u>\$ (1,555)</u>	<u>\$ (26)</u>	<u>\$ (4,580)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	\$ (265)	\$ (95)	\$ (136)
Interest paid	(252)	-	-
Capital lease payments (including imputed interest expense)	-	-	(760)
Proceeds from sale of capital assets	-	64	-
Net cash provided (used) by capital and related financing activities	<u>\$ (517)</u>	<u>\$ (30)</u>	<u>\$ (896)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	\$ -	\$ -	\$ -
Net cash provided (used) by investing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net cash provided (used) - all activities	\$ 1,172	\$ 915	\$ 603
Cash and cash equivalents at beginning of year - restated	(159)	595	472
Cash and cash equivalents at end of year	<u><u>\$ 1,013</u></u>	<u><u>\$ 1,511</u></u>	<u><u>\$ 1,075</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Per Statement of Net Assets Classifications:			
Cash	\$ -	\$ -	\$ 491
Equity in common cash	1,096	1,560	630
Warrants outstanding	(83)	(49)	(45)
Cash and cash equivalents at end of year	<u><u>\$ 1,013</u></u>	<u><u>\$ 1,511</u></u>	<u><u>\$ 1,075</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,919)	\$ 161	\$ 1,429
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation expense	1,422	221	1,521
Other reconciling item	-	-	-
Net Changes in Assets and Liabilities:			
Inventories	2,871	(169)	(549)
Other assets (net)	(103)	421	(3,092)
Accounts payable and other liabilities	971	338	6,769
Net cash provided (used) by operating activities	<u><u>\$ 3,244</u></u>	<u><u>\$ 972</u></u>	<u><u>\$ 6,079</u></u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Cost of capital assets acquisitions financed by capital leases	\$ -	\$ -	\$ -
Capital lease liabilities entered into during the year	-	-	-
Gain (loss) on disposal of capital assets	(11)	-	-
Total noncash investing, capital, and financing activities	<u><u>\$ (11)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 2008

(In Thousands)

	INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 507,663	\$ 4,935	\$ 714,665	\$ 1,435,285
Payments to employees	(172,414)	(878)	-	(204,644)
Payments to suppliers	(258,106)	(2,228)	(221,124)	(639,894)
Claims paid	-	(1,238)	(425,675)	(426,913)
Other receipts	-	4	-	178
Other payments	-	-	-	(8,114)
Net cash provided (used) by operating activities	\$ 77,143	\$ 595	\$ 67,865	\$ 155,897
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Loans or loan repayments from other funds	\$ -	\$ 1,415	\$ -	\$ 5,407
Loans or loan repayments to other funds	-	-	(4,132)	(14,152)
Transfers from other funds	-	-	14,093	14,093
Transfers to other funds	(1,186)	(15)	-	(1,333)
Net cash provided (used) by noncapital financing activities	\$ (1,186)	\$ 1,400	\$ 9,961	\$ 4,015
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(67,260)	\$ -	\$ -	\$ (67,756)
Interest paid	-	-	-	(252)
Capital lease payments (including imputed interest expense)	(2,241)	-	-	(3,000)
Proceeds from sale of capital assets	-	-	-	64
Net cash provided (used) by capital and related financing activities	\$ (69,501)	\$ -	\$ -	\$ (70,944)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends on investments	\$ -	\$ -	\$ 3,521	\$ 3,521
Net cash provided (used) by investing activities	\$ -	\$ -	\$ 3,521	\$ 3,521
Net cash provided (used) - all activities	\$ 6,456	\$ 1,995	\$ 81,347	\$ 92,489
Cash and cash equivalents at beginning of year - restated	22,885	5,336	112,948	142,078
Cash and cash equivalents at end of year	\$ 29,341	\$ 7,331	\$ 194,295	\$ 234,566
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Per Statement of Net Assets Classifications:				
Cash	\$ -	\$ -	\$ 6	\$ 496
Equity in common cash	29,731	7,331	194,331	234,679
Warrants outstanding	(390)	-	(42)	(609)
Cash and cash equivalents at end of year	\$ 29,341	\$ 7,331	\$ 194,295	\$ 234,566
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (7,201)	\$ 1,684	\$ 27,361	\$ 21,516
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation expense	44,605	-	-	47,770
Other reconciling items	-	4	-	4
Net Changes in Assets and Liabilities				
Inventories	(66)	-	-	2,088
Other assets (net)	(65)	(1)	3,614	775
Accounts payable and other liabilities	39,869	(1,093)	36,890	83,745
Net cash provided (used) by operating activities	\$ 77,143	\$ 595	\$ 67,865	\$ 155,897
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Cost of capital assets acquisitions				
financed by capital leases	\$ 4,990	\$ -	\$ -	\$ 4,990
Capital lease liabilities entered into during the year	(4,990)	-	-	(4,990)
Gain (loss) on disposal of capital assets	-	-	-	(11)
Total noncash investing, capital, and financing activities	\$ -	\$ -	\$ -	\$ (11)